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# Foreign CROPS AND MARKETS



VOLUME 60

NUMBER 18

POTATOES (Page 405)

SOYBEANS (Page 409)

TOBACCO (Page 411)

## CONTENTS

	Page
COTTON AND OTHER FIBER	
Near-Record Cotton Crop Expected in Egypt.....	436
Consumption of Cotton in Australia Down.....	438
Cotton Consumption in Portugal Regains Former Levels	439
Cotton-Price Quotations on World Markets.....	435
FATS AND OILS	
World Soybean Production Down From 1948 Record.....	409
Canada Foresees Increase in Fats and Oils Supply....	423
U.K. Production, Imports and Stocks of Fats and	
Oils Up.....	425
Peru's Vegetable Oil Production Shows Slight	
Increase.....	428
Italian Olive Oil Production Large.....	428
Nigerian Peanut Crop Revised Downward.....	430
Uruguayan Sunflower, Peanut Crops Down Sharply.....	431
National Olive Commission Established in Mexico.....	432
Olive Oil Supplies Abundant in Greece.....	432
FRUITS, VEGETABLES AND NUTS	
1949-50 World Potato Production Below Prewar.....	405
Negligible Freeze Damage to Iraq Dates.....	433
GRAINS, GRAIN PRODUCTS AND FEEDS	
World Rice Export Supplies Largest Since the War....	415
Uruguayan Rice Crop Slightly Less.....	417
Nicaragua's Rice Crop Smaller.....	418
Burma Produces Less Rice.....	418
Canadian Grain Stocks Smaller.....	419
Argentina Sets Corn Price.....	421
New Zealand Increases Wheat Prices to Producers....	421
LIVESTOCK AND ANIMAL PRODUCTS	
Hog Numbers in Austria Rise.....	421
U.K. Increases Price of Butter and Bacon.....	422
Austria Eases Milk Marketing Regulations.....	423
Canadian Chick Hatch Indicated Lower Than 1949.....	423
TOBACCO	
World Trade in Tobacco Up 25 Percent in 1949.....	411
TROPICAL PRODUCTS	
Haiti's Coffee Exports Higher, Production Slightly	
Lower.....	433

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF FOREIGN AGRICULTURAL RELATIONS  
WASHINGTON 25, D. C.

FOR RELEASE

MONDAY

MAY 1, 1950

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☆ MAY 5 - 1950

U.S. DEPARTMENT OF AGRICULTURE

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L A T E      N E W S

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The New Zealand customs officials recently announced that licenses will be granted for imports of sausage casings of animal origin from Canada or the United States during the July-December period, 1950, to the extent of 75 percent of the amounts of licenses granted in respect of similar goods from the same source in 1949.

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United Kingdom Ministry of Food has announced that the retail price for eggs would be reduced by about 7 cents a dozen and retailers would be allowed to sell to any buyers after registered consumers have had a chance to purchase each allocation. This measure is for the flush production season.

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A limited trade agreement between India and Pakistan, concluded on April 21, marks the first step toward revival of trade between the two countries. The agreement, subject to ratification by both Governments, provides for the exchange of 800,000 bales of Pakistan jute, chiefly lower qualities not in demand outside of India, for certain essential commodities from India including jute manufacture (20,000 tons), steel, cotton textiles, and mustard oil, with a total value of about \$35,400,000.

Inability to reach an agreement for including Indian coal and Pakistan cotton and wheat was a disappointment to many interested parties in both countries. Currency problems likewise were left unsettled, but the spirit of cooperation that resulted in agreement on the items mentioned above is considered favorable to further negotiations that eventually may result in full restoration of normal trade relations between the two countries. Railway officials are expected to meet before May 7 to arrange for reopening of rail traffic suspended since December 22, 1949.

The volume of trade from both directions had dropped to a low level since September 1949 when the Indian rupee was devalued by about 31 percent, while Pakistan currency was not changed.

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**FOREIGN CROPS AND MARKETS**

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Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, Washington 25, D.C.



## 1949-50 WORLD POTATO PRODUCTION BELOW PREWAR

World potato production in the 1949-50 season is estimated at 7.9 billion bushels, only slightly less than the 1940-44 wartime average, but about 10 percent below the 1948-49 crop of 8.8 billion bushels and 5 percent below the prewar 1935-39 average 8.3 billion bushels.

The 1949-50 estimate is based on reports and estimates from 70 countries including the most important potato-producing areas of the world. Estimates from the Southern Hemisphere countries are mostly very tentative, however, as the crops have only recently been harvested or are being harvested. The Southern Hemisphere normally produces not more than 2 percent of the world's reported potato crop.

About nine-tenths of the world's 1949-50 crop was grown in Europe (including the U.S.S.R.). The U.S.S.R. alone produced an estimated 2.8 billion bushels or 35 percent of the total and all the so called "Iron Curtain" countries in the aggregate produced an estimated 4.6 billion bushels or 58 percent of the total.

The 1949 production in Europe, was low as compared to the high production in the previous year and compared to prewar. In Eastern European countries production was estimated at 25 percent below prewar, and in the countries of Western Europe at about 2 percent below. The estimates for several Iron Curtain countries are based on less reliable information than for most of the rest of the world, however.

Production in all the other major areas was considerably above prewar; North America was 17 percent above; Asia 37 percent, South America 53 percent, and Oceania 34 percent above.

With world population up 10 percent, and production 5 percent below prewar, the supply of potatoes per capita is considerably below prewar. This likely will result in fewer potatoes being used for feed and industrial purposes in Europe rather than in any significant decline of potatoes used for food; supplies are more than ample in most areas outside Europe.

World potato acreage in 1949-50 of 52.9 million acres is 4 percent above the prewar average of 50.9 million. It is about the same acreage as in the previous year and 2 percent above the wartime, (1940-44) average of 51.8 million acres.

The estimated world yield in 1949 dropped to 150 bushels per acre compared with 163 bushels prewar, 156 bushels the wartime average and 166 bushels in 1948. The low yield this year was due to unfavorable weather in most of the large potato-producing countries of Europe. The high yield last year was due to almost universally good weather for potato crops.

POTATOES: Acreage, yield and production in specified countries,  
averages 1935-39 and 1940-44, annual 1948-49

Continent and country	Acreage			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1940-44	1948	1935-39	1940-44	1948	1935-39	1940-44	1948
	acres	acres	acres	acres	acres	acres	bushels	bushels	bushels
<b>NORTH AMERICA</b>									
Canada (incl. Newf. & Lab.)	556	547	530	521	136	177	174	66,572	74,495
El Salvador	1	1	2	2	32	51	50	22	102
Guatemala	9	10	12	10	43	42	47	383	463
Honduras	3	3	4	4	17	38	39	63	50
Mexico	37	60	69	74	65	68	67	2,547	3,892
Panama, Republic of	1	1	1	1	60	69	70	40	60
United States	3,033	2,844	2,109	1,901	137	216	211	355,504	388,765
Bermuda	2	2	1	1	45	37	40	79	90
Cuba	20	14	30	23	95	117	137	1,894	1,792
Dominican Republic	2	3	3	3	48	24	17	96	89
Jamaica	2	2	3	3	39	27	27	60	77
Puerto Rico	1	1	1	1	23	25	25	23	24
Total	3,647	3,488	2,765	2,544	133	202	197	427,280	469,830
								557,879	501,751
<b>EUROPE</b>									
Albania	1	2	3	3	50	56	50	82	168
Austria	507	443	445	470	182	178	172	104,632	80,707
Belgium	383	258	218	220	291	360	342	2116,872	75,030
Bulgaria	46	78	40	40	86	95	88	4,145	6,693
Czechoslovakia	1,767	1,761	1,362	1,404	146	177	167	354,022	257,865
Denmark	188	219	342	264	258	316	250	47,668	56,480
Finland	213	164	256	215	209	283	179	48,624	34,326
France	3,786	3,015	3,087	2,772	137	212	145	631,067	413,362
Germany:									
Western Zone	2,871	2,671	2,844	2,777	257	304	276	718,086	685,425
Eastern Zone	2,000	1,900	2,020	2,000	266	226	220	501,000	505,000
Greece	57	54	71	89	60	165	132	5,308	3,218
Hungary	729	896	696	700	109	141	136	79,637	97,657
Iceland	2	2	2	2	150	147	145	284	435
Ireland	328	408	385	350	293	318	287	98,288	119,713
Italy	993	1,046	1,003	964	93	110	100	95,520	97,535
Luxembourg	42	27	22	20	205	266	148	7,929	5,522
Malta and Gozo	9	6	7	7	85	71	70	1,104	508
Netherlands	323	448	548	456	308	394	371	100,744	137,987
Norway	127	175	160	149	247	334	267	32,830	43,156
Poland and Danzig	6,800	6,500	6,120	6,100	181	161	161	1,397,000	1,176,000
Portugal	77	148	219	207	192	171	129	20,777	28,398
Rumania	381	493	441	440	112	102	91	48,073	55,355
Spain	1,125	1,090	1,059	1,125	126	104	105	170,977	137,500
Sweden	326	346	365	334	208	229	177	66,631	72,100
Switzerland	118	182	152	131	289	276	224	26,126	52,651
United Kingdom	720	1,213	1,548	1,313	263	285	249	182,859	318,976
Yugoslavia	704	727	775	771	105	93	89	61,935	76,042
Total (excl. U.S.S.R.)	24,619	24,272	24,190	23,323	187	206	183	4,922,204	5,577,743
								1,990,315	4,273,457
<b>U.S.S.R. (Europe and Asia)</b>									
	20,203	21,000	22,486	23,400	134	128	126	2,713,054	2,880,000
								2,880,000	2,880,000



<b>ASIA</b>									
Cyprus.....	7:	11:	137:	120:	147:	148:	958:	843:	1,619:
Lebanon.....	3/	11:	3/	3/	147:	147:	3/	3/	1,345:
Palestine.....	2:	10:	134:	240:	130:	130:	269:	962:	1,300:
Syria.....	4/	8:	90:4/	143:	74:	92:4/	1,531:4/	1,853:	588:
Turkey.....	135:	159:	49:	62:	107:	99:	6,645:	10,946:	16,974:
Japan.....	388:	558:	544:	152:	142:	142:	64,101:	70,818:	80,027:
North Korea.....	240:	373:	370:	69:	95:	80:	18,300:	23,700:	35,576:
South Korea.....	47:	123:	119:	73:	68:	65:	7,709:	8,000:	8,310:
Indonesia.....	27:	18:	72:	70:	56:	56:	1,941:	1,025:	1,000:
Philippines, Republic of.....	1:	1:	70:	60:	60:	60:	9:	8:	8:
Total.....	864:	1,138:	1,272:	1,233:	1,151:	1,12:	101,463:	118,155:	146,747:
<b>SOUTH AMERICA</b>									
Argentina.....	311:	472:	457:	93:	70:	97:	26,523:	43,741:	31,085:
Brazil.....	168:	219:	408:	74:	74:	74:	15,775:	17,973:	26,745:
Chile.....	121:	132:	129:	129:	151:	144:	15,622:	17,047:	19,597:
Colombia.....	167:	221:	240:	67:	73:	75:	13,467:	14,786:	17,637:
Ecuador.....	62:	62:	66:	69:	44:	48:	4,073:	4,280:	2,704:
Peru.....	400:	347:	544:	69:	87:	88:	30,157:	24,045:	40,375:
Uruguay.....	18:	25:	22:	54:	68:	63:	1,135:	1,345:	1,493:
Venezuela.....	16:	30:	24:	28:	44:	56:	390:	827:	444:
Total.....	1,263:	1,508:	1,736:	82:	81:	87:	107,142:	124,044:	140,085:
<b>AFRICA</b>									
Algeria.....	44:	38:	80:	82:	75:	81:	4,627:	3,453:	6,029:
Belgian Congo.....	3:	6:	7:	52:	71:	71:	288:	313:	500:
Egypt.....	10:	21:	34:	117:	261:	229:	1,719:	2,461:	8,885:
Eritrea.....	1:	2:	2:	36:	38:	38:	6:	73:	75:
Madagascar.....	31:	29:	48:	61:	44:	44:	1,615:	1,764:	2,109:
Mauritius.....	1:	1:	131:	75:	100:	100:	31:	24:	100:
Mozambique.....	2:	2:	1:	86:	122:	120:	78:	91:	122:
Nigeria and Cameroons.....	2:	2:	30:	37:	37:	40:	21:	54:	37:
Southern Rhodesia.....	3:	4:	85:	94:	94:	100:	254:	376:	375:
Tunisia.....	6:	4:	66:	113:	50:	50:	393:	451:	300:
Union of South Africa.....	89:	90:	165:	69:	54:	63:	6,204:	6,252:	8,868:
Total.....	192:	199:	349:	77:	79:	81:	15,236:	15,312:	27,400:
<b>OCEANIA</b>									
Australia.....	114:	157:	120:	131:	143:	146:	12,900:	20,578:	17,216:
New Zealand.....	21:	23:	19:	198:	215:	249:	4,651:	4,594:	4,093:
Total.....	135:	180:	139:	140:	153:	158:	17,551:	25,132:	21,309:
World total.....	50,923:	51,785:	52,937:	52,881:	166:	150:	2,303,946:	2,618,090:	3,764,413:
1/ Preliminary. 2/ Not comparable with later years which apparently include small farms and gardens. 3/ Included with Syria. 4/ Includes Lebanon.									

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of the U.S. Foreign Service officers, results of office research and other information. Years shown refer to year of harvest in the Northern Hemisphere and includes the harvest immediately following in the Southern Hemisphere. Averages are for years stated or for the nearest comparable period.

Europe: In Europe both potato acreage and yield per acre were lower than in 1948. Acreage dropped almost 3 percent, or 1 million acres, and was below prewar by 5 percent, or more than 1.2 million acres. European yields per acre in 1949 were 24 bushels below 1948 and 17 bushels below prewar. The decline of acreage resulted mostly from the discouragingly low prices received for the very large crop of 1948 and the drop in yields from the poor growing weather during the late summer of 1949.

North America: The United States and Canada, (including Newfoundland and Labrador) produced 98 percent of the total North American crop in 1949, but only 6 percent of the world crop. The North American crop of 502 million bushels in 1949 was 10 percent below the large crop of 558 million bushels in 1948, but still 17 percent above the prewar production of 427 million bushels.

Contrary to the situation in Europe, however, where potato acreage has been declining only slightly from prewar levels, acreage in North America has declined by 30 percent. The North American acreage, estimated at 2.5 million acres in 1949, is 8 percent less than in 1948, 27 percent less than the wartime, (1940-44) average and 30 percent less than the 3.6 million acres average of prewar. Production has increased on the North American Continent because of higher yields per acre. The average 1949 yield was 197 bushels compared to 202 in 1948; 135 wartime, (1940-44) average and 117 prewar.

Asia, South America, Africa, and Oceania: Very significant increases of production have occurred in the smaller producing areas of Asia, Africa, South America, and Oceania; but these increases are significant only in the areas themselves and not as they affect world totals. The 1949-50 production in these scattered areas is currently estimated at 34 to 88 percent above the prewar levels. Except for Oceania, the increase in production, which has paralleled that in acreage indicates a significant increase in the use of Irish potatoes by the population in these developing areas.

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This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of Joseph A. Becker, Chairman, Gustave Burmeister, O. E. Goodsell, Ruth G. Tucker, Stanley Mehr, and Eugene T. Ransom.



## WORLD SOYBEAN PRODUCTION DOWN FROM 1948 RECORD

World soybean production in 1949 is now estimated at 507.1 million bushels by the Office of Foreign Agricultural Relations. This is somewhat larger than earlier information indicated but 10 percent less than in 1948 (revised) and is the smallest postwar crop.

Canada produced a record output of 2.6 million bushels of soybeans from 104,000 acres in 1949. Better than average seasonal growing conditions resulted in a record yield of 25.1 bushels per acre. The commercial soybean crop is produced in the Province of Ontario but soybeans probably could be grown successfully in Manitoba if plantings were of an early maturing variety.

Canadian farmers are being urged to grow more soybeans in order to supply a greater share of the demand for oil and to reduce dependency on dollar imports. Some increase, possibly 10,000 to 15,000 acres, is expected in 1950 depending on price prospects at planting time.

The United States 1949 soybean crop of 222.3 million bushels was only slightly less than the 223.0 million bushels harvested in 1948. In both years the United States accounted for about 40 percent of the world total. Last year's yield per acre of 22.4 bushels was a record for this country.

Indications point to a still larger crop in 1950. Based on reports from farmers as of March 1, about 13.5 million acres will be planted to soybeans. This would be an increase of 18 percent over the comparable figure for 1949. Much of the prospective increase for this year is expected to come from land diverted from crops under acreage allotments.

If this acreage is realized, about 11.7 million acres probably will be harvested for beans. Based on the average yields by states during the past 5 years, the 1950 soybean production would be about 228 million bushels.

There is very little information available on 1949 soybean production in Europe. Italy's 1949 crop, now reported, at 52,000 bushels, is less than earlier estimates indicated.

China and Manchuria's 1949 crops are estimated at 179.2 million and 66 million bushels, respectively. Japan produced 8.9 million bushels of soybeans compared with 8.1 million in 1948 and 12.5 million in prewar years.

South Korea's soybean crop of 6.7 million bushels is somewhat smaller than earlier reports indicated but more than one-third larger than in 1948. Production in Indonesia is estimated at 7.3 million bushels for 1949 and 9.0 million (revised) for the preceding year. Soybeans are grown primarily for domestic consumption, but small quantities were exported to Japan during the past 2 years.

SOYBEANS: Acreage, yield per acre, and production in specified countries, average 1935-39, annual 1946-49 <sup>1/</sup>

Continent and country	Acreage <sup>2/</sup>			Yield per acre			Production		
	Average : 1935-39	1946	1947	Average : 1935-39	1946	1947	Average : 1935-39	1946	1947
	1,000 : acres	1,000 : acres	1,000 : acres	1,000 : acres	1,000 : acres	1,000 : acres	1,000 : bushels	1,000 : bushels	1,000 : bushels
<b>NORTH AMERICA</b>									
Canada.....	10: 3,042	59: 9,806	61: 11,212	94: 10,430	18.1 : 20.5	18.2 : 16.4	25.1 <sup>4/</sup> : 22.4	1,072 : 201,275	1,110 : 183,558
United States <sup>5/</sup> .....									
<b>EUROPE</b>									
Bulgaria.....	34: 7	45: 5	75: 8	-	5.2 : 10.4	5.1 : 10.1	-	416 : 125	234 : 56
Hungary.....	1/ 49	2: -	7: -	3: -	12.1 : 15.8	10.1 : 20.9	18.3 <sup>4/</sup> : 1	6/ 463	81 : 27
Italy.....					9.5				150
Rumania.....									
U.S.S.R. (Europe and Asia).....	607:	-	-	-	-	-	-	5,805	-
<b>ASIA</b>									
Turkey.....	11: 8,992	5: 7,187	5: 6,662	5: 11,309	29.0 : 16.7	10.8 : 17.3	10.6 <sup>6/</sup> : 15.2 <sup>8/</sup>	16 : 207,666	55 : 201,322
China proper (22 provinces).....					15.4 : 8.9	17.1 : 11.8	12.0 : 13.7	196,610 : 122,639	210,820 : 119,059
Manchuria.....									
Japan.....	812: 17	571: -	607: -	584: -	13.0 : 8.9	11.8 : 8.2	12,499 : 14	7,413 : 4,924	7,161 : 4,666
Taiwan.....					10.0 : 7.6	8.2 : 9.6	10.0 : 10.2	4,924 : 4,406	4,666 : 6,719
Korea <sup>9/</sup> .....	1,921: 889	561: 583	568: 700	487: 900					
Indonesia <sup>10/</sup> .....									
<b>AFRICA</b>									
Tanganyika.....	-	-	-	-	6.6	6.6	-	15	27
Union of South Africa.....	-	-	-	-	-	-	5.3	56	44
World total <sup>12/</sup> .....	29,100:	32,100:	33,250:	31,650:	-	-	-	464,300:	537,000:
								550,700:	562,200:
									507,100

<sup>1/</sup> Years shown refer to years of harvest. Southern Hemisphere crops which are harvested in the early part of the year are combined with those of the Northern Hemisphere harvested in the latter part of the same year. <sup>2/</sup> Figures refer to harvested areas as far as possible. <sup>3/</sup> Preliminary. <sup>4/</sup> Average of less than 5 years. <sup>5/</sup> Acreage harvested for beans.  
<sup>6/</sup> One year only. <sup>7/</sup> Less than 500 acres. <sup>8/</sup> Partly estimated. <sup>9/</sup> Beginning with 1946 figures represent South Korea only. <sup>10/</sup> Java and Madura. <sup>11/</sup> Planted acreage. <sup>12/</sup> Includes estimates for the above countries for which data are not available and for minor producing countries.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States foreign service officers, results of office research, or other information. Preliminary estimates for countries having changed boundaries have been adjusted to conform to present boundaries, except as noted.

Turkey's soybean output has varied considerably in recent years. The latest estimate for 1949 is 50,000 bushels, down 30 percent from a year earlier but 35 percent greater than prewar.

Brazilian soybean output reached 1.2 million bushels in 1949. This level is expected to be maintained in the current year.

Tanganyika's 1949 soybean estimate has been revised upward to 36,000 bushels which is slightly more than one-third of the 1948 crop. The Union of South Africa harvested 80,000 bushels of soybeans in 1949, the largest since soybean cultivation began in the middle 1940's.

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This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the committee was composed of Joseph A. Becker, Chairman, Paul E. Quintus, Regina H. Boyle, Helen Francis, Tilmer O. Engebretson and Elmer A. Reese.

#### WORLD TRADE IN TOBACCO UP 25 PERCENT IN 1949

World trade in unmanufactured tobacco in 1949 was about 25 percent above the movement in 1948 and 7 percent above the prewar, 1935-39, average. Exports from the principal countries totaled 1,205,496,000 pounds in 1949, compared with 962,928,000 pounds in 1948 and a prewar annual average of 1,128,722,000 pounds.

The increase in 1949 resulted primarily from larger takings by a number of the leading Western European importing countries. Larger importations were made in spite of continued restrictions by most importing countries on the use of dollar exchange for the purchase of tobacco from the United States and other principal surplus-producing countries in the Western Hemisphere. Intensified efforts on the part of many of the major importing countries to expand purchases in soft currency surplus-producing countries and the expanded use of barter trading in the international movement of unmanufactured tobacco contributed substantially to the increased trade in 1949. Europe's 1949 imports increased sharply and imports into North America and Africa were up slightly, but declines were recorded for all of the other major geographic divisions of the world. On the export side, increases occurred in 1949 from all of the major surplus-producing areas of the world, but the greatest expansion occurred from the Oriental-type tobacco producing countries of Southeastern Europe and the Near East.



TOBACCO, UNMANUFACTURED: International trade,  
average 1935-39, annual 1948 and 1949

Continent and country	Average 1935-39		1948 1/		1949 1/	
	Exports	Imports	Exports	Imports	Exports	Imports
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
<b><u>NORTH AMERICA</u></b>						
Canada.....	15,294:	4,255:	15,877:	1,617:	15,725:	1,577
Costa Rica.....	- :	40:	4:	78:	- :	74
El Salvador.....	23:	495:	1:	2,726:	- :2/	5,200
Guatemala.....	- :	68:	4:	477:	- :	549
Honduras.....	1,894:	43:	4,444:	56:	4,630:3/	88
Mexico.....	215:	210:	327:	2,587:	140:	2,707
Newfoundland and Labrador.....	- :	62:	- :3/	1,500:	- :	4/
Nicaragua.....	- :	175:	- :	504:	- :	534
United States.....	420,797:	71,274:	426,609:	84,342:	498,205:	87,932
Cuba.....	27,712:	- :	32,322:	- :	31,195:	-
Dominican Republic	13,652:	- :	30,504:	- :	46,156:	-
Total.....	479,587:	76,622:	510,092:	93,887:	596,051:	98,661
<b><u>EUROPE</u></b>						
Austria.....	5/ 1,424:5/	16,954:	- :	10,133:	- :	23,837
Belgium and Luxembourg.....	413:	40,695:	- :	42,547:	- :	41,848
Bulgaria.....	59,396:	- :3/	30,000:	- :3/	30,000:	-
Czechoslovakia.....	- :5/	20,768:	- :	21,473:	- :3/	20,000
Denmark.....	490:	20,206:	269:	20,023:	2,014:	25,463
Ireland.....	5/ 394:5/	12,292:	337:	12,481:	- :	23,957
Finland.....	- :	7,754:	- :	14,618:	- :	4,433
France.....	5/ 686:5/	61,576:	1,911:	28,117:	466:	74,299
Germany.....	5/ 19:5/	204,644:	- :6/	13,813:3/6/	100:3/6/	110,000
Greece.....	97,657:	20:	39,775:	- :	62,597:	-
Hungary.....	19,162:	3,106:2/	5,000:2/	2,400:2/	5,000:2/	2,400
Italy.....	12,927:	5,253:	4,134:	27,322:	14,650:	8,280
Netherlands.....	3,249:	67,349:	1,770:	34,207:	4,777:	70,631
Norway.....	- :	6,602:	- :	9,125:	- :	9,734
Poland.....	5/ 149:5/	18,404:	- :	6,587:	- :2/	10,000
Portugal.....	- :	6,381:	8:	11,727:	- :	9,775
Spain.....	- :3/	30,979:	- :	32,361:	- :	31,923
Sweden.....	153:	14,829:	61:	16,398:	- :	15,864
Switzerland.....	- :	15,795:	- :	21,637:	- :	22,998
United Kingdom.....	7/ 5,996:	258,486:7/	994:	280,775:7/	1,507:	301,133
Total.....	202,115:	812,093:	84,259:	605,744:	121,111:	806,575
<b><u>ASIA</u></b>						
Syria and Lebanon..	2,762:	112:	5,593:	507:	10,087:	1,010
Turkey.....	78,054:	152:	109,321:	64:	171,132:	-
Ceylon.....	2,086:	1,200:	1,037:	1,620:	950:	1,036
China.....	30,994:	56,613:	1,459:	20,945:3/	1,000:3/	5,000
French Indochina...5/	216:	2,718:	- :	7,485:	- :3/	7,500
Hong Kong.....	8/ :	10,450:	1,374:	7,260:3/	1,500:3/	9,000
India.....	43,500:	4,791:	50,850:	11,515:2/	60,000:2/	8,000

TOBACCO, UNMANUFACTURED: International trade,  
average 1935-39, annual 1948 and 1949

Continent and country	Average 1935-39		1948 1/		1949 1/	
	Exports	Imports	Exports	Imports	Exports	Imports
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
<b>ASIA (Cont'd)</b>						
Indonesia.....	101,176:	2,765:	2,672:	7,985:	14,610:	7,601
Philippine Republic:	37,357:	1,075:	6,181:	96:	11,218:2/	220
Thailand (Siam).....	13:*	3,405:	-	1,452:	-	3,000
Total.....	296,158:	83,281:	178,487:	58,929:	270,497:	42,367
<b>SOUTH AMERICA</b>						
Argentina.....	180:	16,878:2/	2,400:	21,400:	2,200:	16,008
Brazil.....	71,955:	772:	54,789:	240:2/	68,000:2/	500
British Guiana.....	- :5/	393:	-	639:	-	580
Chile.....	-	172:	-	840:	-	766
Colombia.....	6,472:5/	138:	6,656:	366:	9,900:3/	300
Paraguay.....	7,747:	202:	5,304:	-	9,806:	-
Peru.....	-	212:	-	789:	- :3/	600
Surinam.....	8/	8/	-	127:	-	163
Uruguay.....	-	3,051:	-	4,326:	-	8,832
Total.....	86,354:	21,818:	69,149:	28,727:	89,906:	27,749
<b>AFRICA</b>						
Algeria.....	24,979:	7,482:	17,772:	7,606:	28,573:	7,180
French Morocco.....	- :5/	3,921:	252:	8,820:	-	4,275
Belgian Congo.....	- :3/	1,000:	18:	1,700:	-	4,912
Nyasaland.....	12,810:	-	23,846:	12:3/	20,000:3/	20
Egypt.....	-	13,014:	-	24,220:	-	28,860
Gold Coast.....	-	1,471:	-	1,500:	-	1,720
Madagascar.....	5,262:	17:	6,157:	37:	4,251:	-
Northern Rhodesia..	1,429:	-	4,826:	-	6,075:	-
Southern Rhodesia..	19,166:	327:	67,661:	1,313:	67,937:3/	2,000
Tunisia.....	- :5/	2,843:	118:	8,523:	-	6,321
Union of South						
<b>Africa.....</b>	635:	3,100:	-	3,562:3/	1,000:3/	3,500
Total.....	64,281:	33,175:	120,650:	57,293:	127,836:	58,788
<b>OCEANIA</b>						
Australia.....	114:	21,537:	291:	29,941:	95:	22,190
New Zealand.....	113:	3,027:	-	4,346:	- :2/	4,500
Total.....	227:	24,564:	291:	34,287:	95:	26,690
Total countries shown: 1,128,722: 1,051,553: 962,928: 878,867: 1,205,496: 1,060,830						

1/ Preliminary. 2/ Estimated on the basis of data available for 6 months or more of the year. 3/ Approximated from unofficial information. 4/ Data for April through December included in Canada. No data available for January through March. 5/ Less than a 5-year average. 6/ Western Germany only; data for Eastern Germany not available. 7/ Re-exports. 8/ Not available.

Office of Foreign Agricultural Relations. Prepared or estimated from official statistics of foreign governments, reports of United States Foreign Service officers and other information.



World totals for the countries listed in the accompanying table show exports consistently above imports. The discrepancy results from a number of factors including re-exports (which had not been shown as imports) in the exports data, the omission of relatively large imports into the Soviet Union for which data are not available, and the omission from the table of a number of countries which have a small trade in tobacco and whose imports materially exceed exports.

Principal Exporting Countries: In 1949, the United States continued to be the leading tobacco exporting country. Exports for the year were 17 percent above 1948 exports, and comprised 41 percent of the world total as compared with 44 percent in 1948 and 37 percent in the 1935-39 period. The increase was due to larger takings on the part of most of the major Western European tobacco importing countries. United States exports in 1949 totaled 498,205,000 pounds, compared with 426,609,000 in 1948 and an annual average of 420,797,000 in the prewar, 1935-39, period. Of the total 1949 exports, flue-cured leaf accounted for 379,911,000 pounds or 76 percent of the total, compared with 342,692,000 pounds or 80 percent of the total in 1948. Burley leaf exports in 1949 totaled 35,138,000 pounds or 7 percent of the total, compared with 23,391,000 pounds or about 5 percent in 1948. Exports of fire-cured leaf totaled 33,133,000 pounds, compared with 27,572,000 pounds in 1948.

Larger exports were recorded for most of the Latin American tobacco exporting countries. Substantial increases from 1948 levels were reported for Brazil, Colombia, Paraguay, and the Dominican Republic. The bulk of the exports from Latin America continued to go to Western European countries.

The Oriental-type tobacco producing countries of Southeastern Europe and the Near East reported much larger exports in 1949 than in 1948. In the case of both Greece and Turkey 1949 exports were 57 percent above the 1948 levels. Turkey's 1949 exports were 119 percent above the 1935-39 annual average, but exports from Greece were 36 percent below the prewar average due to lower postwar production. Exports from Bulgaria are unofficially reported to be still substantially below the prewar level.

Exports from the Far Eastern Countries increased in 1949, but were still only a fraction of prewar. Increases in 1949 were reported for India, Indonesia and the Philippines. The 1949 exports from Indonesia were more than 5 times the 1948 level, but still 86 percent below the 1935-39 average.

Principal Importing Countries: Imports in 1949 by the United Kingdom totaled 301,133,000 pounds, which exceeded any other individual country and accounted for 28 percent of the total imports shown in the accompanying table. Imports in 1949 were 7 percent above the 1948 total of 280,775,000 pounds and about 16 percent above the prewar, 1935-39, average. Imports of United States leaf by the United Kingdom accounted for only 51 percent of the country's total, compared with 61 percent in 1948 and 78 percent in the 1935-39 period.



Imports in 1949 into Western Germany, which ranks after the United Kingdom as an importing country, are placed at approximately 110,000,000 pounds. Prior to 1949 Western Germany's postwar imports of tobacco were extremely low.

The United States, which is the third most important importing country, took 87,932,000 pounds in 1949. This was 4 percent above 1948 imports and 23 percent greater than in the 1935-39 period.

All Other Leading Importing Countries: Imports in 1949 exceeded 1948 in the cases of Austria, Denmark, France, Ireland, the Netherlands, Norway, Poland, Switzerland, Mexico, Uruguay, Syria and Lebanon, Thailand, the Belgian Congo and Egypt. Decreases were reported for Belgium, Finland, Italy, Portugal, Spain, Sweden, China, Argentina, Algeria, French Morocco and Australia.

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## COMMODITY DEVELOPMENTS

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### GRAINS, GRAIN PRODUCTS AND FEEDS

#### WORLD RICE EXPORT SUPPLIES LARGEST SINCE THE WAR

Exportable supplies of milled rice on the world market for shipment during 1950 are estimated at 9,500 million pounds, an increase of 700 million pounds over 1949, and approximately one-half of prewar exports. Large Western Hemisphere crops, particularly in the United States and Brazil, account for most of the gain over last year. Total export supplies in Egypt and Italy also exceed those of 1949.

Export availabilities in the important surplus area of Asia are smaller than in 1949. Burma and Thailand, the world's principal suppliers, have less rice to export, and rice out of Indochina may be limited to about the volume of the relatively small exports of 1949. Rebel activities in Burma and Indochina resulted in a failure to increase production, hampering recovery toward the prewar export level.

Burma's supplies are estimated at between 1,800 and 2,600 million pounds, consisting of a reduced surplus compared with the year before and sizable carry-over stocks held in the interior. Exportation of these supplies depends on whether or not the rice is transported from the interior to ports. This in some instances is provided only under the protection of armed convoys.

The surplus of Thailand, supported by a reserve of from 400 to 600 million pounds from the preceding year's crop, is expected to approximate 1949 exports. A February agreement provided for the export of 220 million pounds from Korea to Japan. Notwithstanding recent rice

RICE (in terms of milled): Exports from principal countries of supply, average 1936-40, annual 1946-49, and estimated export supplies for 1950

Continent and country	Average 1936-40	1946	1947	1948	1949 <sup>1/</sup>	1950 Export <sup>1/</sup> supplies
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
WESTERN HEMISPHERE:						
North America:						
Mexico.....	19	2/	22	63	91	90
United States.....	235	773	963	869	1,135	1,500
Estimated total....	260	797	1,009	950	1,280	1,610
South America:						
Brazil.....	83	362	531	475	2	300
Br. Guiana.....	34	51	44	39	50	45
Ecuador.....	26	148	139	139	62	150
Uruguay.....	4	2	3/	27	9	33
Estimated total....	158	674	723	721	150	560
Total W. Hemisphere:	418	1,471	1,732	1,671	1,430	2,170
ASIA:						
Burma.....	6,536	960	1,779	2,725	2,632	2,600
French Indochina.....	3,233	160	148	433	220	220
Thailand.....	2,920	984	871	1,791	2,680	2,600
Korea.....	2,367	4/ 0	4/ 0	4/ 0	4/5/	4/ 220
Formosa.....	1,427	0	880	800	800	500
Estimated total....	18,543	2,276	3,800	6,103	6,340	6,180
EUROPE:						
Italy.....	356	2/	0	46	220	375
Estimated total.....	6/ 672	6/ 27	20	68	230	380
AFRICA:						
Egypt.....	277	448	367	773	747	660
Estimated total....	319	477	403	811	780	690
Australia.....	29	53	64	53	3/	65
WORLD TOTAL.....	19,983	4,304	6,019	8,717	8,800	9,500

<sup>1/</sup> Preliminary.

<sup>2/</sup> Less than 500,000 pounds.

<sup>3/</sup> Not available.

<sup>4/</sup> South Korea.

<sup>5/</sup> Insignificant, if any.

<sup>6/</sup> Including reexports.

Office of Foreign Agricultural Relations. Prepared on the basis of official statistics, reports of Foreign Service officers, and results of office research.

4/25/50.

imports into Formosa through Hong Kong for use by the military, exports of up to 500 million pounds may be delivered to nearby areas.

As the result of large rice crops in the major producing countries, the total exportable supplies of the Western Hemisphere are estimated at 2,200 million pounds, or 800 million more than 1949 exports. Surpluses in the United States and Brazil each are indicated to be at least from 300 and 400 million pounds larger than in the year before. In Ecuador, failure to export in 1949 because of unsatisfactory prices resulted in the carry-over of a large surplus. Mexico's exports are expected to be as large as last year's record, and Uruguay, Colombia, and Paraguay have surpluses estimated at the record quantities of 33, 16, and 9 million pounds, respectively.

Italy's carry-over stocks from the preceding year's production, combined with a favorable crop in 1949, resulted in an increase in export supplies. Egypt also produced a good harvest, and while the surplus is not so large as in 1949, export availabilities are above average. These countries are exporting increasing quantities to European markets.

#### URUGUAYAN RICE CROP SLIGHTLY LESS

Uruguay's 1950 rice harvest (April-May) is estimated at 88.2 million pounds of rough rice, a decrease of 6 percent compared with the preceding year's crop of 94.3 million pounds, according to a report by Hubert Maness, Agricultural Attache, American Embassy, Montevideo. The area planted declined from 36,000 to 34,000 acres. Production was reduced because of excessive dry weather during the growing season which limited in some areas the water supplies for irrigation.

Exportable supplies for 1950 are estimated at 33 million pounds, including stocks of 11 million pounds from last year's production. Exports of polished rice during 1949 totaled 8,936,000 pounds compared with 27,196,000 pounds in 1948. Consignments in 1949 by country of destination were as follows (1,000 pounds): Palestine, 4,383; Bolivia, 1,726; Austria, 1,543; Greece, 631; Switzerland, 351; Ireland, 330; and Portugal, 22.

The Government attempted during 1949 to export up to 26 million pounds of polished rice in the dollar area, but the demand was not sufficient to absorb this volume, and permission was given exporters later to ship rice to other areas. Uruguayan rice, however, is considered high in price and a ready market has not been found for it. Polished rice is being offered f.o.b. Montevideo at \$5.67 per 100 pounds for the Japanese type and \$6.35 for the Caroline type. These prices allow a 10-percent tolerance for broken grain and yellow grain.

The same price has been paid to farmers for rice during the last 3 years and inflation has continued. Much of the rice land is not as



productive as it used to be because of continuous croppings. Producers are beginning to rotate their land, thus increasing irrigation costs. A compensating factor, however, is that livestock fattening on idle rice land has become extremely profitable, especially during summers when droughts prevail. It is believed that rice production will be maintained at the present level for several years, especially if a market can be found for the surplus.

#### NICARAGUA'S RICE CROP SMALLER

The 1949-50 rice production of Nicaragua is estimated at 28.9 million pounds of rough rice, a decrease of 38 percent below the record of 46.8 million pounds in the preceding year, according to the American Embassy at Managua. The reduction is attributed to a decline in the harvested yields per acre and to a drop in the area planted.

The acreage sown is estimated at 30,000 acres, or 5,000 acres less than the year before. The decline was due almost entirely to a drop in the world price of rice which made it difficult to export it profitably. Nearly all of Nicaragua's production is upland rice.

Rice exports of 21 million pounds were shipped in 1949 to the following countries of destination (million pounds): Malaya, 10; Venezuela, 6; Arabia, 4; and other countries, 1. In terms of United States dollars, rice exports amounted to \$1,619,000 compared with \$788,000 in 1948, and with the previous record of \$948,000 in 1946.

The wholesale price of rice has remained at a fairly high level on the local market, partly because of the decline in the 1949-50 production. During the first quarter of 1949, rice was quoted at \$6.40 to \$6.80 per 100 pounds. Inasmuch as the present export quotation is under \$6.00 per 100 pounds f.o.b. Corinto, no rice has been exported so far in 1949. The local price may decline in coming weeks as rice from the new crop reaches the market.

#### BURMA PRODUCES LESS RICE

Burma's 1949-50 rice production in the final forecast is placed at 8,986 million pounds of rough rice, a decrease of 1,716 million pounds, or 16 percent, below the 10,702 million pounds of 1948-49. The sown area is estimated at 8,079,000 acres, the destroyed area at 231,000 acres, and that likely to mature at 7,849,000 acres. Prewar (1935-36/39-40) acreage and production averaged 12,671,000 acres and 17,720 million pounds of rough rice, respectively.

CANADIAN GRAIN  
STOCKS SMALLER

Stocks of all Canadian grain at the end of March were smaller than on that date of 1949, according to the Dominion Bureau of Statistics. The reduction in stocks reflects the smaller harvests of these grains in Canada in 1949, reductions varying from 5 percent for wheat to 60 percent for rye.

CANADA: Grain stocks in all positions, March 31, 1950,  
with comparisons

Position	Wheat	Oats 1/	Barley	Rye
	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
<u>In Canada</u>				
On farms.....	111,665:	124,814:	46,349:	3,952
Country elevators.....	55,031:	7,472:	6,331:	2,168
Interior private and				
mill elevators.....	3,664:	814:	2,001:	13
Interior terminal elevators..	67:	61:	1,307:	19
Vancouver- New Westminster				
elevators.....	5,180:	386:	225:	6
Churchhill elevator.....	126:	2/	-	-
Fort William-Port Arthur				
elevators.....	47,440:	2,367:	7,239:	2,452
In transit, rail.....	9,786:	1,563:	647:	361
Eastern elevators and				
storage afloat.....	15,330:	853:	1,114:	1,028
Eastern mills.....	1,500:	525:	165:	-
Western mills.....	215:	145:	60:	6
Total.....	250,004:	139,000:	65,438:	10,005
Canadian grain in the				
United States.....	81:	55:	662:	416
Total Canadian grain in				
North America.....	250,085:	139,055:	66,100:	10,421
<u>March 31, 1949 stocks</u>				
In Canada.....	262,516:	167,980:	78,923:	15,534
In the United States.....	-	686:	417:	1,064
Total.....	262,516:	168,666:	79,340:	16,598

1/ As reported in bushels of 34 pounds. 2/ Less than 500 bushels.

From reports of the Dominion Bureau of Statistics.

Wheat in all positions on March 31 was reported at 250 million bushels, about 5 percent less than on that date of 1949. Farm stocks of wheat were about 112 million bushels, 30 percent of the 1949 production. This compares with 129 million bushels in that position a



year ago, representing 33 percent of the preceding harvest. The farm stocks include the seed for the 1950 crop and feed requirements for the remainder of the season ending July 31.

Of the total wheat remaining on farms, about 95 percent was in the Prairie Provinces. The disposition by Provinces was as follows: Saskatchewan 65 million bushels, Alberta 26 million, and Manitoba 15 million. This shows a small reduction from farm stocks in Saskatchewan and Manitoba a year earlier and a reduction of 11 million bushels in Alberta's farm stocks.

Stocks at the Lakehead show a larger supply of wheat in position for export than at any time during the past 5 years. Current stocks there are reported at 47 million bushels, compared with 40 million a year earlier. Overseas clearances of wheat have been larger than for the comparable period of the preceding year, totaling 108 million bushels to the end of March. Clearances up to that date in 1949 were about 100 million bushels.

Oats stocks on hand at the end of March were 139 million bushels, compared with 169 million a year earlier. About 90 percent of the total, or 125 million bushels, remained on farms.

Total barley stocks on March 31 were 66 million bushels, 17 percent less than the 79 million reported a year ago. Farm stocks, reported at 46 million bushels, were considerably below last year's figure of 63 million bushels.

Rye stocks were estimated at a total of 10.4 million bushels, about 6 million bushels less than the figure a year earlier. Farm stocks were 4 million bushels, compared with almost 8 million on farms a year ago.

#### ARGENTINA SETS CORN PRICE

The price to be paid Argentine corn producers for the crop to be harvested in the spring of 1951 has been announced at the equivalent of \$1.59 per bushel for bagged grain, on track at Buenos Aires. This represents an increase of 31 percent over the price being paid for the current crop. The higher price and the early announcement of the increased rate was made as an incentive to increased corn planting. Corn planting normally begins in September, and the Government has asked growers to plant about 12 million acres this year.

The goal is set at the 1940-41 level, and would be, if achieved, the largest acreage planted since that year. Official estimates are not available for last year's acreage, but unofficial information indicates that it was about 7 million acres, or the smallest area planted to corn since 1907.



The new price is to be paid only to producers who work their own land. Grain acquired as share rent would be paid for at the rate of \$1.21 per bushel, the rate for the present crop, according to the official announcement. That stipulation applies also to wheat deliveries from next year's crop, for which a price of \$2.27 per bushel was announced in early March (See Foreign Crops and Markets, March 27).

#### NEW ZEALAND INCREASES WHEAT PRICES TO PRODUCERS

An increase in the price of wheat to producers, with a changed basis of payment, was announced in New Zealand recently. The new price of \$1.35 per bushel, basis on rail, is equivalent to \$1.41 f.o.b., compared with last year's price of \$1.21 per bushel, f.o.b. The change to an on rail basis was made to encourage the growing of wheat in areas more distant from ports. The increased rate for the 1950-51 season was made as an incentive to increase wheat acreage. Wheat acreage declined from 287,000 acres in 1942-43 to 130,000 acres in 1949-50.

The increased rate would still be considerably below prices paid for Australian wheat. Since 1946-47 the price to producers has been fixed on the basis of cost of production plus a reasonable return. The announcement of the present price stated that consideration would be given to any further increase in production costs.

#### LIVESTOCK AND ANIMAL PRODUCTS

##### HOG NUMBERS IN AUSTRIA RISE

Hog numbers in Austria, according to the March 3, 1950 census, are considerably larger than in March 1949. The 1949 numbers, however, are believed to be underestimated and the difference between the two censuses includes some underestimation from 1949.

Although the number of hogs in all classes increased, pigs under 8 weeks made up nearly 40 percent and pigs from 8 weeks to 6 months about 29 percent of the total number of hogs. The improved feed situation, high prices for pork and lard and the release of 20 percent of domestically-produced pork for free sale have revived farmers' interests in pork production and are the principal reasons for the upward trend in numbers.

(See accompanying table on following page)



# AUSTRIA EASES MILK MARKETING REGULATIONS

Austria has amended marketing and price regulations allowing more butterfat in fluid milk and less restricted manufacture of milk products for sale at fixed prices.

Regulations increased the fat content of fluid milk from 2.5 percent to 3 percent, without any accompanying price increase. The amendment also permits dairies to manufacture and market cream, yoghurt, and other types of processed milk subject to prior compliance with their prescribed delivery quotas for whole milk, fresh milk (konsummilch), skimmed milk, sour milk and buttermilk. Production and marketing of cream, yoghurt and other types of processed milk remain subject to instructions issued by the Austrian Economic Union for Milk and Fats in liquidation. Sale of cream at the consumer level is ration free, but yoghurt and other types of processed milk remain subject to ration regulations, if made from whole milk. Skim milk products are ration free and both cream and yoghurt are becoming easier to obtain.

These changes are the result of recent increases in domestic milk production and favorable prospects for future supply.

## CANADIAN CHICK HATCH INDICATED LOWER THAN 1949

Canadian chick production during the 1950 hatching season up to March 31 is indicated at 16.5 million birds which is about 14 percent below the comparable period in 1949. The lower output is largely due to the 19 percent decrease during March, the month in which about 20 to 25 percent of the season's production normally occurs. The number of eggs reported in incubators on April 1, 1950 is only about 5 percent below April 1, 1949 which might indicate a closer approximation to 1949 than now exists in the current season.

Spotted reporting on the turkey hatch in Canada suggests an increase of about 50 percent over last year and a later hatching than occurred last year.

## FATS AND OILS

### CANADA FORESEES INCREASE IN SUPPLY OF FATS AND OILS

Canada's supply of fats and oils in the current year is expected to be greater than during last season, according to the American Embassy, Ottawa. The outlook is for further increases over the record soybean and sunflower seed output in 1949 and a moderate increase in flaxseed. Indications are that animal fat production also will be larger.



The vegetable oil industry is expected to maintain its present rate of operation, which would require a greater volume of imports during 1950 to supply the important margarine industry and the continued high domestic demand for edible vegetable oils.

Flaxseed and rapeseed production in 1949 declined sharply from the high levels of a year earlier. The flaxseed crop of 2,262,000 bushels was the smallest since 1939. Rapeseed outturn dropped from a record of 85,600,000 pounds to 17,000,000 pounds. By contrast soybean and sunflower seed crops rose to records of 2,605,000 bushels and 27,000,000 pounds, respectively.

Canadian lard production in 1949 is estimated at 98,019,000 pounds, an increase of 6 percent over 1948. This increase continues the steady rise that has followed the end of the war, but is below war time peaks when lard production reached 140,000,000 pounds. Current production of lard is at a rate 30 percent above the prewar average.

The 1949 figure on lard production includes an estimate of farm renderings and unreported production. It should be noted that although hog slaughterings have been declining since the end of the war, lard production has increased. Reliable sources indicate that this is a result of greater rendering at packing plants. When pork prices were high the packers left more of the fat on the carcass to sell as meat. The tighter pork market has influenced packers to put out a leaner product, removing more fat at the plant.

Imports of lard into Canada during 1949 totaled 14,548,000 pounds, almost all of which came from the United States. Normally lard imports are very small although in 1946 and 1947 substantial quantities were received. Prewar imports were negligible. Lard exports were very small in 1949, amounting to only 208,000 pounds. Before the war lard was an important export item; the average annual exports during the 1935-39 period were almost 20,000,000 pounds.

The total quantity of lard available for domestic consumption during 1949 was 11,738,000 pounds, an increase of slightly more than 20,000,000 pounds from the 1948 level. Per capita consumption was 8.2 pounds, or more than double the prewar average.

Both lard and tallow prices declined sharply from the peaks reached in 1948. The average annual wholesale price for lard in 1948 was 25.5 cents per pound, Toronto. In early 1949 the price dropped to 15 cents per pound and has since fluctuated around that level. Current prices vary from 14 to 15 cents per pound for pure lard delivered at Toronto.

Tallow production during 1949 is estimated at 89,055,000 pounds, a small increase from the 87,605,000 pounds produced in 1948. Edible tallow output has declined but inedible tallow production has increased.

Tallow imports in 1949 were at the very low level of 2,839,000 pounds, far below the previous years. Edible and inedible tallow are not distinguished in the available statistics. All tallow imports into Canada came from the United States in comparison with past years when substantial quantities entered from Argentina.

Tallow exports were 3,313,000 pounds, more than 4 times the quantity exported in 1948. The tallow went to many countries in Europe and elsewhere, with a small share to the United States. Relatively speaking, tallow exports are of minor importance.

With the reduction in imports and an increase in exports, the quantity of tallow available for domestic consumption declined to a postwar low of 88,800,000 pounds.

Tallow prices had dropped to 5.75 cents per pound (inedible prime tallow, Toronto) early in 1949 from an average of 12 cents per pound in 1948. In recent months tallow prices have risen and current quotations are 8.5 cents per pound, Toronto. The market for tallow is strong and it is expected that the current price will hold for a while.

#### U.K. PRODUCTION, IMPORTS AND STOCKS OF FATS AND OILS UP

The United Kingdom's production of fats and oils, comprising about one-eighth of its total annual needs, is estimated at 208,000 short tons in 1949-50, according to the American Embassy, London. This tonnage, although representing an increase of about 5 percent over the volume produced in 1948-49 and a gain of 22 percent over the 1947-48 production, is still well below the 1934-38 average output of 288,000 tons.

Production of whale oil, which makes up more than half of the United Kingdom's domestic output of fats and oils, was up roughly 10 percent in 1949-50 from each of the 2 preceding years but was still one-third less than prewar. Sperm oil production was the same as the year before. And herring oil output, of relatively small volume, was about twice that in 1948-49.

Animal fats, which comprise about one-third of the U.K. production of fats and oils, were up again in 1949-50 from the previous year. The gain resulted entirely from a 13 percent increase in slaughter fats and lard which reflects the gain in livestock numbers. With livestock numbers continuing to expand, slaughter fats and lard are expected to increase materially in the next few years. The production of butter was down 8 percent from the quantity produced in 1948-49. This was due to the increased consumption of fluid milk which was accentuated by derationing. The quantity of milk used for manufacturing purposes also was greater.

UNITED KINGDOM: Production of marine, animal, and  
vegetable fats and oils, average 1934-38,  
annual 1947-48 to 1949-50

(1,000 short tons)

Fat or oil	1934-38	1947-48	1948-49 (revised)	1949-50 (preliminary)
Whale oil <u>1</u> /.....	<u>2</u> / 173	101	103	113
Sperm oil <u>1</u> /.....	<u>2</u> / 9	10	10	10
Herring oil.....	<u>3</u> /	1	1	2
Butter (fat content) <u>4</u> /....	<u>5</u> / 43	13	24	22
Slaughter fats and lard <u>6</u> /.	69	40	47	53
Linseed oil <u>7</u> /.....	-	6	12	8
Total.....	294	171	197	208

1/ From catch of U. K.-owned land stations and vessels flying British flag. Does not account for sales to other countries from this catch.

2/ Average 1936-38.

3/ About 110-220 tons.

4/ Includes farm production.

5/ June-May crop year 1936-37 to 1938-39.

6/ Estimated at 5 percent of slaughter weight of meat.

7/ No allowance made for feed use of flaxseed which may account for 10-20 percent of the crop.

American Embassy, London.

Linseed oil production in 1949-50, reflecting the sharp decrease in 1949 flaxseed acreage, was down one-third from 1948-49. It is likely that the Ministry of Agriculture, having been unsuccessful in its efforts to expand materially flaxseed production, will abandon its targets. Aside from the difficulty of growing flax in the United Kingdom, the need for expanding production has been diminished because of the availability of larger world supplies of flaxseed at lower prices.

Imports into the United Kingdom of fats, oils, and oilseeds in 1949 totaled 1,700,000 short tons in terms of oil. This was a gain of 13 percent over the quantity imported in 1948 although it was still 6 percent less than the volume imported in 1938.



The necessity of relying on imports to supply more than 85 percent of its supplies of fats and oils, together with efforts to avoid undue expenditures of dollars, has led the United Kingdom to encourage expanded production in Commonwealth countries. Accordingly, supplies from these countries have made up more than 70 percent of the United Kingdom's imports in the last two years. The principal Commonwealth sources in 1948 and 1949 were British West Africa, New Zealand, Australia, and Malaya. Major non-Commonwealth suppliers were Argentina, Denmark, Indonesia, Uruguay, and the United States--only small imports were made from the last 3 countries in 1948. British West Africa supplied one-third of the imported quantities into the United Kingdom in each of the last 2 years due largely to its replacement of India as the major source of peanuts and its growing importance in supplying palm kernels and palm oil. The United States supplied the dominant portion of the United Kingdom's lard imports in 1949. Whereas the British would like to have more United States lard, long-time prospects are not good because of currency difficulties.

Palm kernels have been imported into the United Kingdom in greatly increased volume in the last 2 years, while cottonseed and flaxseed imports have declined substantially. With the higher oil extraction rate for palm kernels (45-47 percent) than cottonseed (15-17 percent) and flaxseed (34 percent), the total oil equivalent of these 3 imported oilseeds is as high as prewar though the combined tonnage of these oilseeds in 1949 was down one-third from 1938.

Exports of fats and oils from the United Kingdom in 1949, somewhat smaller than in 1948, were down sharply from 1938. There were 34,000 short tons exported last year as compared with 37,300 tons in 1948 and 155,800 tons in 1938. The quantity exported in 1949 consisted of approximately equal parts of (1) vegetable oils, (2) animal, fish, and marine animal oils, and (3) margarine and shortening. In addition to the above exports of fats and oils as such there were increased exports, in relation to prewar, of biscuits and soap containing substantial quantities of fats and oils.

Consumption of fats and oils in the United Kingdom has increased and will continue to increase. Reflecting the marked improvement in the supplies of edible fats and oils is the fact that in recent months margarine and cooking fat rations have not been taken up by many people. Nationally, on a weekly average basis, butter consumption in 1949 at 6,550 tons was higher than the 5,880 tons of 1948 though still sharply lower than the 10,810 tons average of 1934-38. Weekly consumption of margarine, by contrast, was 8,930 tons as against 3,990 tons prewar. Consumption of lard and compound cooking fats also, at the rate of 5,440 tons per week in 1949, was higher than the 3,900 tons in 1948 and substantially greater than the prewar average of 4,310 tons.

Stocks of fats and oils in the United Kingdom are presumed to be fairly high, especially those of sperm oil and margarine. Data on stocks,

considered secret, are not published by the Ministry of Food. However, the higher rate of imports in 1949 and the low uptake of rations indicate that stocks have increased.

#### PERU'S VEGETABLE OIL PRODUCTION SHOWS SLIGHT INCREASE

Peru's 1949 vegetable oil production showed a slight increase over the past 2 years, according to the American Embassy Lima. From the commercial cottonseed output of 112,900 short tons, 95 percent of which was crushed, the oil production amounted to 18,660 tons--all edible--compared with 16,300 tons (16,000 edible) in 1948. Only 250 tons of sunflower seed oil were produced from a seed crop of 1,300 tons (95 percent crushed) against 400 tons in 1948.

Cottonseed and sunflower seed continue to be the only sources of commercial vegetable oil production in Peru. There is an interest in increasing the production of sunflower seed, peanuts, and oil palms, but as yet little increase has actually occurred.

Vegetable oil production in Peru is supplemented by rather substantial imports, particularly of peanut oil, sunflower oil, and coconut oil.

During the past year and a half, exports of any type of vegetable oilseed have been prohibited. Import restrictions reduced the total vegetable fats and oils imports in 1949 to 2,100 tons or less than half the 4,420 tons imported in 1948. Imports of animal fats and fish oils totaled 6,590 tons last year against 7,380 tons in 1948.

The outlook for 1950 is that the production of vegetable fats and oils will not greatly exceed the average of the past 3 years. With the removal of price controls and a relaxation of import restrictions, imports of vegetable fats and oils are likely to increase--particularly from soft currency countries. If and when dollar reserves are established, the source of such imports probably would be the United States.

#### ITALIAN OLIVE OIL PRODUCTION LARGE

Italy's olive harvest was completed in March and the oil production was considerably higher than preliminary forecasts indicated, according to a report from the American Embassy, Rome. The final official estimate places the output at 198,400 short tons. In addition some 22,000 tons of sansa oil and 22,000 tons of sulphur oil will be produced. Of these about one-third will be rectified for human consumption, thereby bringing total edible olive oil production to about 212,700 tons, considerably more than in 1948. However, some unofficial sources indicate a higher output averaging about 220,000 tons plus about 22,000 to 28,000 tons of rectified edible oil.



Oil from the 1949 crop is of unusually good quality and greatly superior to that of the preceding year, principally because of the favorable weather conditions during September and October when the olives were ripening, but also because of the small percentage (13 percent) of olive grove areas infested by the dacus fly. It is also estimated that the average yield in oil was around 17 percent compared with 15.8 in 1948. An unusually large portion of the olive oil produced in the South from the 1949 crop contains less than 1 degree acidity compared to the customary 4 to 5 degrees.

While over-all domestic requirements of edible vegetable oils have increased over the 1939 level owing to the increase in population, total availabilities and per capita consumption are still below 1939. Pre-war annual consumption of edible vegetable oils was around 308,600 tons of which 192,400 tons were olive oil and the balance seed oil, and current consumption is around 300,700 tons with the increase over pre-war represented by seed oils.

In 1949 per capita availability of olive oil from current production (without regard to the size of stocks which is never known) was only 5.3 pounds compared with 13.2 in 1948 and 13.0, the average for the years 1936-39. However, because of the large imports of vegetable oils and oilseeds plus large stocks believed to be in the hands of wholesalers, the edible vegetable oil market was well supplied.

Government stocks of olive oil from the late pools are estimated at about 8,800 tons and recently (March 18) the Government decided finally to dispose of these remaining stocks by placing them on the market gradually in order not to depress further the already dull market.

The quantities of olive oil in the hands of wholesalers are unknown, but they are thought to be considerable, and in many circles the present dull situation of the oil market is attributed to these stocks rather than to excessive imports of oilseeds and oils. During the 1947-49 period, average annual imports in terms of oil amounted to about 50 percent of the pre-war period 1936-38.

Wholesale prices of olive oil rose steadily up to January 1949 and then declined gradually until October when prices dropped 13 percent from the preceding month's quotation. During February 1950 the wholesale price on the Milan market of superfine olive oil with less than 1 percent acidity was quoted at 42-44,000 lire per quintal (\$610-\$639 per short ton) and of fine olive oil up to 2 1/2 percent acidity at 40-42,000 lire (\$580-\$610). To check the decline in prices, the Government (1) suspended all licenses to import vegetable oils and (2) banned all oilseed imports from the dollar area. Imports from the sterling area and those which are for private compensation from countries with which Italy has no trade agreements, are permitted. In the latter case, however, a limit is set both on the volume and the season when they may be imported.



With Government controls lifted on exports of olive oil to the dollar area only, Italian olive oil is now in a position to compete with both Spain and Tunisia on the dollar market. Most recently reported price quotations f.o.b. are \$26 per case of 12 one-gallon cans compared with \$24 for Spanish oil. Italians feel that the special demand for Italian oil on the American market justifies its slightly higher price in comparison with Spanish olive oil.

#### NIGERIAN PEANUT CROP REVISED DOWNWARD

Nigeria's 1949 peanut crop has been revised downward from earlier estimates, according to a report from the American Consulate General, Lagos. It is now believed that only about 200,000 short tons of shelled nuts will be purchased for export whereas normally production for export is substantially above 300,000 tons. About 367,000 tons from the 1948 crop were purchased for export.

It is believed that of the total crop yield, roughly two-fifths is used for domestic consumption, the larger part of which is converted into oil for cooking. The remaining three-fifths is shelled, sacked, sold, and eventually shipped. On this basis total 1949 production may be estimated at about 335,000 tons of shelled nuts or approximately 500,000 tons, unshelled basis.

All estimates of acreage and total production are but rough approximations because peanuts are grown on small plots rarely larger than 2.5 to 3 acres and widely scattered. Only a portion of these plots are devoted to cash crops, the larger part being used for subsistence foods. The general belief is that no sizeable increase or decrease occurred in acreage planted in 1949 compared with the estimated 2,675,000 acres normally planted to peanuts. The exceedingly low yield is explained entirely by light, late, and badly distributed rains.

All peanuts exported from Nigeria are sold to the United Kingdom in accordance with the 3-year trade agreement, effective January 1, 1950, which provides for the exclusive sale to the Ministry of Food at prices to be established by mutual agreement but in no case to fall below an established minimum. The 1949-50 crop was purchased at £21-4-0 per long ton (\$53.00 per short ton), which was an increase of £2 (\$5.00 per short ton). The 1950-51 purchase price recently announced by the Oilseeds Marketing Board, which controls the purchase and export of all of Nigeria's peanuts, represents a decrease of £2-4-0 a long ton (\$5.50). This reduction was decided upon in anticipation of a decline in world prices.

Within the past year a modern oil-expressing plant capable of producing about 4,000 tons of peanut oil a year was opened in Kano, the heart of the peanut growing area. Peanut cake is sold for use as a

crude flour and also as cattle feed. Officials of the mill are anxious to export part of their production but the Marketing Board has not permitted this. It is understood, however, that a small shipment of about 500 tons was to have been exported in the first quarter of 1950. Plans are reportedly well advanced for a similar oil mill, also to be erected in Kano.

All peanuts exported from Nigeria are shelled before being sold to the Marketing Board, due to the difficulties of transportation. The Nigerian Railway, whose main business is moving peanuts from the interior to seaports, has made substantial progress in moving the backlog of nuts accumulated in the past few years. Over 421,000 tons of nuts were transported in 1949. As of April 1, 1950, a backlog of 200,000 tons awaited shipment. Railway officials believe that the entire surplus will have been moved by the opening of the new season in November 1950.

A smaller peanut crop may be planted this spring since the Nigerian farmer customarily places major emphasis on food crops following a bad year for cash crops. Recently announced price reductions for peanuts will also emphasize this trend.

Small quantities of sesame seed, sunflower seed, and soybeans are also produced in Nigeria. Sesame exports of 19,000 tons in 1949 were the largest ever recorded. Exports in 1948 amounted to 17,552 tons and in 1947 to 10,416. All exports went to the United Kingdom. The price paid in 1949 was £20 per long ton (\$50.00 per short ton). The Oilseed Marketing Board, which has just decided to control this crop, has announced that the price to be paid producers in 1950 will be £19 (\$47.50). This year's crop should be about the same or slightly larger than the 1949 crop.

Sunflower seed is purchased for export at £20 a ton (\$50.00) and all shipped to the United Kingdom. Only 74 tons were exported from the 1949 crop against 73 from the preceding year. Soybean production increased from 780 tons in 1948 to 1,130 in 1949. All of the crop was exported to the United Kingdom.

#### URUGUAYAN SUNFLOWER, PEANUT CROPS DOWN SHARPLY

Uruguay's 1950 sunflower and peanut crops, now being harvested, are down sharply from last year, according to the American Embassy, Montevideo. Unfavorable weather mainly was responsible for reductions in both area and yield.

Sunflower seed production is estimated at 33,000 short tons from 222,390 acres compared with 63,900 tons from 323,540 acres in 1949. Peanut production is placed at 5,500 tons from 27,180 acres against 14,250 tons from 55,135 acres last year.



It is likely that the output of sunflower seed oil and peanut oil will be sufficient for domestic consumption considering the large carry-over from the record 1949 production. Commercial sources, however, estimate that there will be no surplus of these oils for export.

Clean peanuts in the shell delivered to Montevideo are quoted at 290 pesos per metric ton (\$147.80 per short ton) and sunflower seed at 220 pesos (\$112.12).

#### NATIONAL OLIVE COMMISSION ESTABLISHED IN MEXICO

According to the American Embassy, Mexico City, a decree establishing a National Olive Commission in Mexico was published in the Diario Oficial of April 13, 1950, and became effective the day following. Regulations governing the Commission's functions will be published within 60 days thereafter. The new Commission will function in a manner similar to the National Corn Commission and the National Coffee Commission already established.

The chief reasons stated in the decree for establishing the Olive Commission follow:

- (1) That the olive industry in Mexico has not reached the development it deserves in spite of the availability of suitable lands;
- (2) That it is convenient to increase the production of olives as a means of improving the national diet, now deficient in fats, as well as to provide for the oil requirements of large-scale fishing and livestock industries;
- (3) That the national economy would be strengthened through the exportation of olives and of olive oil.

The principal objectives of the Commission will be to promote an increase in olive production in the country and to improve existing plantations and processing plants. The activities of the Commission have been declared a matter of "public utility", and the Ministry of Agriculture and Livestock, as well as other agencies and institutions of the Federal Government, are obligated to collaborate with the Commission in its work. The cooperation of state and municipal governments will also be sought through agreements to be entered into with such governments.

#### OLIVE OIL SUPPLIES ABUNDANT IN GREECE

Pending its final estimate based on complete reports from crushers, the Greek Ministry of Agriculture has retained its harvest-time forecast of about 190,000 short tons of olive oil from the 1949 crop. While other observers believe this figure should be reduced to 165,000 tons, it compares with an average prewar (1934-38) production of 127,000 tons and only 52,000 tons for 1948.



Olive oil is the principal source of fats for most Greek families and consumption tends to expand in years of large production and low prices. Such expansion is especially heavy for non-food uses. For 1950, Government specialists have estimated domestic consumption at 117,000 short tons. As of March 31, stocks on hand were variously estimated from 128,000 to 152,000 tons. In any case, there appears to be a substantial surplus above consumption requirements until the new crop comes to market at the end of 1950.

Nevertheless, olive oil exports remain uncertain for 1950. Producers and merchants are holding surplus oil at prices well above those at which it could be sold on world markets. The prospects for the 1950 crop probably will become an important factor in the export picture. If the crop promises to be much smaller than that of 1949, the present relatively high internal prices will continue and preclude exports. On the other hand, if the 1950 crop promises to be another large one, prices will tend to adjust to the world level and exports will become possible. Only about 90 short tons of olive oil were exported in 1949 because all available supplies were needed locally to make up the shortfall in 1948/49 production.

#### FRUITS, VEGETABLES AND NUTS

##### NEGLIBIBLE FREEZE DAMAGE TO IRAQ DATES

Damage to date palms in Iraq by cold weather appears to be negligible according to the American Consul at Basra.

Iraq date growers attribute the appearance of a fungus disease "Mauginella Seaetae Cavara" to the cold winter. This fungus first appeared in 1938 and again in 1949. The Hallawis and Sayirs varieties which comprise 95 percent of the dates shipped to the United States are not seriously affected by this disease. The fungus has attacked primarily the male palms and some Khadrawis and Sahdis. If necessary male pollen can be obtained from unaffected areas. Damage by the disease is not likely to reduce shipments to the United States in the near future.

#### TROPICAL PRODUCTS

##### HAITI'S COFFEE EXPORTS HIGHER, PRODUCTION SLIGHTLY LOWER

Haiti's 1949 coffee exports of 553,000 bags were about 50 percent higher than 1948 exports of 366,000 bags and substantially above exports of 373,000 bags in 1947 and the annual prewar (1935-39) average of 448,000 bags. The 1949-50 exportable production of coffee now is estimated at about 450,000 bags, slightly below the 1948-49 exportable production of 485,000 bags, but higher than the annual prewar average of 440,000 bags, according to the American Embassy, Port-au-Prince.

The increase in Haiti's 1949 coffee exports is mainly attributable to the large 1948-49 crop and to the heavy shipments of coffee from the 1949-50 crop during the last 2 months of 1949. Haiti exported 161,000 bags of coffee in the last 2 months of 1949 compared with only 69,000 bags during the same period in 1948. There has been little tendency for Haitians to hold coffee from the 1949-50 crop. Most of them believe that coffee prices have passed the peak and will continue to decline. About two-thirds of the 1949-50 crop had been exported by February 28, 1950 compared with 40 percent of the 1948-49 crop on the corresponding date in 1949. By the middle of April 1950, only about 20,000 bags of coffee remained unsold in Haiti.

The United States replaced Belgium as the largest market for Haitian coffee in 1949. Shipments to the United States amounted to 191,000 bags compared with 121,000 to Belgium. In 1948, Haiti exported 122,000 bags of coffee to Belgium and only 98,000 bags to the United States. Shipments to Italy increased greatly from 64,000 bags in 1948 to 120,000 bags in 1949. Other important destinations for Haiti's 1949 coffee exports were Cuba, the Netherlands, Norway, Switzerland, and Canada.

HAITI: Exports of green coffee,  
1949 with comparisons 1/

Destination	Average 1935-39	1947	1948 <u>2/</u>	1949 <u>2/</u>
	<u>Bags</u>	<u>Bags</u>	<u>Bags</u>	<u>Bags</u>
United States	79,000	112,431	98,032	191,042
Other America	1,000	537	1,934	48,617
Belgium	87,000	98,341	122,415	121,498
Italy	19,000	32,576	64,324	120,166
Netherlands	11,000	21,554	26,039	44,812
Norway	5,000	88,281	33,493	13,534
Other Europe	242,000	17,602	19,891	9,430
Other	4,000	1,933	291	3,500
Total	448,000	373,255	366,419	552,599

1/ In bags of 132.28 pounds each. 2/ Preliminary.

Reports of U. S. Foreign Service Officers.

COTTON AND OTHER FIBERCOTTON-PRICE QUOTATIONS  
ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, and the  
U.S. gulf-port average

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in forieng currency	Equivalent U.S. cents per pound
Alexandria		:Kantar	:	:	:
Ashmouni, Good.....		: 99.05 lbs.	:Tallari	:	:
Ashmouni, F.G.F.....		: "	: "	:	:
Karnak, Good.....		: "	: "	:	:
Karnak, F.G.F.....		: "	: "	:	:
Bombay		:Candy	:	:	:
Jarila, Fine.....	4-27	: 784 lbs.	:Rupee	:1/ 620.00	: 16.50
Broach Vijay, Fine.....	"	: "	: "	:1/ 690.00	: 18.37
Karachi		:Maund	:	:	:
4F Punjab, S.G., Fine....	4-26	: 82.28 lbs.	: "	: 72.50	: 26.58
289F Sind, S.G., Fine....	"	: "	: "	: 74.00	: 27.13
289F Punjab, S.G., Fine..	"	: "	: "	: 76.00	: 27.87
Buenos Aires		:Metric ton	:	:	:
Type B.....	4-27	: 2204.6 lbs.	:Peso	:1/ 4150.00	: 38.96
Lima		:Sp. quintal	:	:	:
Tanguis, Type 5.....	4-26	: 101.4 lbs.	:Sol	: 370.00	: 24.74
Pima, Type 1.....	"	: "	: "	: (not quoted)	:
Recife		:Arroba	:	:	:
Mata, Type 4.....	4-27	: 33.07 lbs.	:Cruzeiro	: 185.00	: 30.44
Sertao, Type 5.....	"	: "	: "	: (not available)	:
Sertao, Type 4.....	"	: "	: "	: 225.00	: 37.02
Sao Paulo		:	:	:	:
Sao Paulo, Type 5.....	"	: "	: "	: 179.00	: 29.45
Torreon		:Sp. quintal	:	:	:
Middling, 15/16".....	"	: 101.4 lbs.	:Peso	: 241.00	: 27.47
Houston-Galveston-New		:	:	:	:
Orleans av. Mid. 15/16"...	"	:Pound	:Cent	: XXXXX	: 32.33
		:	:	:	:

Quotations of foreign markets reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Nominal - ceiling prices.



## NEAR RECORD COTTON CROP EXPECTED IN EGYPT

The 1950-51 cotton crop in Egypt, to be picked during August-November 1950, is now being forecast by private sources at more than 2 million bales (of 500 pounds gross), compared with 1,691,000 bales in 1949-50. The 1950-51 acreage is forecast unofficially at nearly 2,000,000 acres, or about 10 percent below the record area of 2,162,000 acres reported for 1930-31. Growing conditions have been favorable as late as the middle of April and insect infestation is expected to be light because of low temperatures just before planting.

The 725,000 acres forecast for Karnak and Menoufi this year represent a decrease of about 210,000 acres from the 1949-50 figure as growers are believed to have complied with the Egyptian Government's restrictions of this amount announced earlier. Also, the unusually favorable ratio of Ashmouni prices to those of Karnak during the latter part of the current planting season stimulated growers to increase the areas in the shorter staple varieties. The Giza 30 (medium long staple) area, estimated at 445,000 acres, is 280,000 acres above last year's figure.

Large increases are estimated for Ashmouni and Zagora, both of which are the shortest staples grown in Egypt. Ashmouni acreage in 1950 is estimated at 645,000 acres, compared with 588,000 a year ago, and Zagora at 155,000 and 23,000 acres, respectively. Acreage planted to other varieties probably did not vary much from last year's 40,000 acres. Yields usually average a little more than a bale to the acre. Under exceptionally favorable conditions, as in 1948-49, yields average as much as 1-1/4 bales to the acre.

Exports of 1,091,000 bales (of 500 pounds gross) during the 8 months August-March 1949-50 were the same as in a similar period a year ago. The total of 1,692,000 bales for the entire 1948-49 year was equal to the crop, thus reducing stocks by the amount of local consumption or about 230,000 bales. Exports of Karnak and Menoufi since September 1, 1949, represented 49 percent of total exports and Ashmouni and Zagora accounted for 44 percent. Sales in March, however, were comprised of a somewhat greater percentage of Ashmouni, being a prime factor in pushing prices of that variety to a level 14 to 16 U.S. cents a pound above Karnak. This is in reverse of a more normal price ratio of 5 to 10 cents below those for Karnak in recent years.

The sharp rise in prices of Ashmouni began early in March when the spot quotation for Good Ashmouni on March 9 was reported at 67.75 tallaris per kantar (39.27 cents a pound), against 72.80 tallaris (42.20 cents) for Good Karnak. Six weeks later (April 20) the price for Good Ashmouni had risen to 100.25 tallaris (58.11 cents), while that for Good Karnak had increased slightly to 76.65 tallaris (44.43 cents). The wide fluctuations of Egyptian cotton prices are attributed to uneven placement of orders by large importing countries, heavy

speculative activity in the market, and a new factor of diminishing supplies of the shorter staples. The export demand for Ashmouni and Zagora is expected to remain strong as a result of the dollar shortage in all cotton-importing countries, which is causing a diversion from nonsterling surplus countries in favor of these Egyptian varieties.

Exports to the United Kingdom were down by 179,000 bales or about 50 percent from the figure for August-March 1948-49, while those to the United States were up by 78,000 bales and to Italy by 49,000. Exports to other countries have not varied much from last year's level which was relatively high.

EGYPT: Cotton exports by countries of destination; averages  
1934-38 and 1939-43; annual 1947-48 and 1948-49;  
August-March 1948-49 and 1949-50

(Bales of 500 pounds gross)

Country	Year beginning August 1				August-March	
	Averages		1947 1/	1948	1948-49	1949-50
	1934-38	1939-43				
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Australia.....	-	6.4	10.8	1.4	.9	1.4
Austria.....	18.4	2/	3/	3/	3/	3/
Belgium-Luxembourg	18.7	2.9	22.1	13.2	10.4	12.2
China.....	20.9	9.4	3/	3/	3/	.1
Czechoslovakia.....	59.9	.2	71.0	71.8	35.3	24.0
France.....	215.2	62.7	240.4	115.4	78.3	119.7
Germany.....	171.6	2.3	3/	3/	3/	1.8
India.....	99.9	170.8	209.8	375.2	210.5	196.2
Italy.....	114.7	19.4	165.4	119.9	77.3	96.4
Japan.....	148.5	44.1	3/	3/	3/	5.0
Netherlands.....	5.7	1.1	17.7	51.6	34.8	39.4
Spain.....	43.6	6.5	50.0	30.5	18.3	10.7
Sweden.....	12.3	2.1	33.1	15.9	6.6	24.7
Switzerland.....	71.1	14.6	27.9	17.4	14.6	23.7
United Kingdom.....	554.4	402.0	419.6	505.7	362.4	183.3
United States.....	48.8	97.0	89.8	44.2	44.2	121.8
Others.....	143.0	84.9	4/ 263.9	5/ 330.0	6/ 197.8	7/ 230.9
Total.....	1,746.7	926.4	1,621.5	1,692.2	1,091.4	1,091.3

1/ Subject to revision. 2/ Included with Germany. 3/ If any, included with "Others." 4/ Soviet Union 50.0; Poland 12.5. 5/ Soviet Union 69.8; Poland 45.1. 6/ Soviet Union 53.2; Poland 16.8. 7/ Soviet Union 41.3; Poland 15.6.

Compiled from Monthly Summary of the Foreign Trade of Egypt and Foreign Service reports.



Under the terms of a barter arrangement announced on March 17, 1950, the Egyptian Government is expected to receive 100,000 metric tons of wheat from the Soviet Union in exchange for about 45,000 bales (500 pounds) of Egyptian cotton. The agreed price for the wheat is £31.5 per metric ton or a total of £3,150,000, equal to about \$9,043,000. The price of the cotton may be calculated at an average of approximately 42 cents a pound.

More recently an arrangement was made to exchange an unspecified quantity of cotton for 100,000 tons of Russian corn. Part of the cotton is reported to be destined for reexport from the Soviet Union to Rumania, Hungary, and Poland. Negotiations for exchange of additional quantities of cotton for Russian sugar are reported to be in process.

Stocks of cotton in Egypt at the end of March 1950 were reported at 920,000 bales, or about 30 percent below the 1,360,000 bales on hand a year ago. Stocks of Ashmouni, Zagora, and the medium long staples are rapidly diminishing and may be exhausted before the new crop arrives on the market. Stocks of Karnak, however, appear to be adequate to meet all prospective demand at current prices. An earlier report showed stocks as of March 1, 1950, at 1,096,000 equivalent 500-pound bales, including 446,000 bales of Karnak, 85,000 of Menoufi, 114,000 of Giza, 30,398,000 of Ashmouni, and 21,000 of Zagora. Government-owned stocks as of March 1 were equivalent to about 150,000 bales, nearly all of which was Karnak.

Consumption by mills in Egypt, estimated at about 140,000 bales, is averaging about 1,500 bales a month under the 1949-50 rate. Ashmouni and Zagora comprise 88 percent of the cotton consumed by local mills during the current season to date. Mill representatives are requesting a renewal of the subsidy of £485,000 (\$1,392,000) granted the industry for the year ended February 28, 1950. Heavy imports of cotton textiles at prices that the local manufacturers cannot meet caused an accumulation of locally manufactured goods last year that were not easily disposed of. Mill owners fear a similar development with a necessary cut-back in production this year unless the subsidy is renewed.

#### CONSUMPTION OF COTTON IN AUSTRALIA DOWN 1/

Cotton consumption in Australia is recovering after a near close-down last summer due to lack of power, caused in turn by a strike in the coal mines from June 27, 1949, to August 15, 1949. Practically all textile mills in Sydney had to close down because of the power shortage while those of Melbourne and Adelaide operated only part-time. Cotton consumption dropped to 1,620 bales (500 pounds) in July, or only 30 percent of 5,300 bales average consumption of the two previous seasons.

The Australian cotton textile industry continued to expand in 1949. Construction was started on two new spinning mills in 1949 which are expected to be in operation in the first half of 1950. Some of

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1/ Based on a report from the American Consulate, Sydney.



the established mills installed additional machinery and others continued their modernization by replacing old machinery with modern equipment. However, the expansion of the textile industry has been slowed down by the difficulties of importing equipment and of procuring building materials. As in preceding years, labor was insufficient to operate the Australian mills at anything like full capacity.

During the war Australian mills produced large quantities of duck and drill for the requirements of the armed services. In the postwar years there has been a considerable decrease in the output of such materials and an increase in production of sheetings and other lightweight goods. Although the yardage of piece goods produced has increased, the shift to the production of lighter weight goods has caused the quantity of cotton consumed to decline from the peak reached during the war. However, with the addition of new capacity and if sufficient labor can be recruited, cotton consumption in 1949-50 is now expected to reach or exceed the record high figure of 66,345 bales in 1942-43.

Imports of raw cotton into Australia in the first 6 months (August through January) of the current season amounted to 26,845 bales, of which 79 percent came from Brazil, 12 percent from India, 5 percent from Pakistan, and the remainder from Egypt and Peru. Because of a dollar shortage practically no raw cotton has been purchased from the United States during the current season. In 1948-49 6,500 bales were imported from the United States and in 1947-48 11,460 bales.

Acreage planted to cotton in the 1949-50 season has been estimated at 4,000 acres. Weather conditions generally were favorable for the planting and growth of the crop. The crop, for which harvest has just been started has been estimated at about 1,000 bales. Although this is above the previous season's crop, this is far under the prewar level of 8,000 to 15,000 bales.

#### COTTON CONSUMPTION IN PORTUGAL REGAINS FORMER LEVELS

Cotton consumption in Portugal has regained former levels after a decline from April through September due to a shortage of power. The serious drought in Portugal during 1949 made it necessary to ration electric power and limited textile mill operations, particularly during the April-September period. Fall rains increased electric power in September and by the end of October all restrictions on power use were removed. During November, December, and January mills resumed their normal level of consumption of 13,000 to 14,000 bales (480 pounds net) per month. It is estimated that total consumption in the 1949-50 season will be slightly above the 151,000 bales consumed by the Portuguese mills in the 1948-49 season.

Imports into Portugal during the first 6 months (August through January 1950) have been reported at 71,430 bales. About 94 percent of these imports have been from the colonial areas of Mozambique and Angola and the remaining 6 percent from Egypt and Brazil.

Marketing of cotton in Portugal continues to be controlled by the Regulating Commission of the cotton trade established in 1937. Under its authority all imports are allocated to the mills. The Commission encourages the importation and consumption of colonial cotton and authorizes imports of other cotton only when essential. It is estimated that 90 to 95 percent of Portugal's import requirements during the current season can be met from colonial production and very little other cotton is expected to be imported.